Government of Saskatchewan

Financial Statement 2002-2003

Cumberland Regional College

For the fiscal year ending
June 30, 2003

Saskatchewan
Our Future is Wide Open

104-00752/

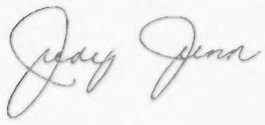
Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Cumberland Regional College for the year ending June 30, 2003.

Respectfully submitted,



Judy Junor
Minister of Learning

CUMBERLAND REGIONAL COLLEGE

FINANCIAL STATEMENTS

JUNE 30, 2003

Neumann & Neumann
Chartered Accountants

Board of Directors
Cumberland Regional College
Nipawin, Saskatchewan

AUDITORS' REPORT

We have audited the statement of financial position of Cumberland Regional College as at June 30, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. The College's management is responsible for preparing these financial statements for Treasury Board's approval. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at June 30, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Nipawin, Saskatchewan
September 12, 2003

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2003

Statement 1

	2003			2002
	Operating	Capital	Total	Total
ASSETS				
Current Assets				
Cash	$1,040,644	$ 375,647	$1,416,291	$1,574,886
Accounts receivable (note 3)	169,372	--	169,372	195,907
Prepaid expenses	18,970	--	18,970	17,640
	1,228,986	375,647	1,604,633	1,788,433
Investments (note 4)	350,000	--	350,000	350,000
Capital Assets (note 5)	--	893,800	893,800	951,090
	$1,578,986	$1,269,447	$2,848,433	$3,089,523
LIABILITIES				
Current Liabilities				
Accrued salaries and benefits	$ 101,289	$ --	$ 101,289	$ 149,696
Accounts payable and accrued liabilities (note 7)	57,941	--	57,941	92,397
Unearned revenue (note 8)	628,393	--	628,393	722,919
	787,623	--	787,623	965,012
NET ASSETS				
Invested in capital assets	--	893,800	893,800	951,090
Restricted (note 9)	681,363	375,647	1,057,010	1,101,125
Unrestricted	110,000	--	110,000	72,296
	791,363	1,269,447	2,060,810	2,124,511
	$1,578,986	$1,269,447	$2,848,433	$3,089,523

APPROVED ON BEHALF OF THE BOARD

Director

Director

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2003

Statement 2

	Operating			Capital		Total	
	2003 Budget (Note 11)	2003	2002	2003	2002	2003	2002
Revenues (Schedule 1)							
Provincial Government	$2,810,866	$2,914,944	$2,669,477	$ --	$ 560,000	$2,914,944	$3,229,477
Federal Government	15,000	44,685	64,276	--	--	44,685	64,276
Other Revenue	668,838	803,577	676,944	--	--	803,577	676,944
Total revenues	3,494,704	3,763,206	3,410,697	--	560,000	3,763,206	3,970,697
Expenses (Schedule 2)							
Agency Contracts	523,920	619,532	417,003	--	425,000	619,532	842,003
Amortization	--	--	--	136,643	127,228	136,643	127,228
Equipment	110,033	82,188	69,221	--	--	82,188	69,221
Facilities	127,471	168,553	136,399	--	--	168,553	136,399
Information Technology	51,525	34,394	39,572	--	--	34,394	39,572
Operating (Schedule 3)	482,796	407,666	437,740	--	--	407,666	437,740
Personnel Services	2,359,929	2,377,931	2,233,575	--	--	2,377,931	2,233,575
Total expenses	3,655,674	3,690,264	3,333,510	136,643	552,228	3,826,907	3,885,738
Excess (deficiency) of revenues over expenses	$ (160,970)	$ 72,942	$ 77,187	$ (136,643)	$ 7,772	$ (63,701)	$ 84,959

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

Statement 3

	2003				2002
	Invested in capital assets	Restricted	Unrestricted	Total	Total
Net assets, beginning of year	$ 951,090	$1,101,125	$ 72,296	$2,124,511	$2,039,552
Excess (deficiency) of revenue over expenses	(136,643)	--	72,942	(63,701)	84,959
Interfund transfers:					
Investment in capital assets	79,353	--	(79,353)	--	--
Internally imposed restrictions	--	(44,115)	44,115	--	--
Net assets, end of year	$ 893,800	$1,057,010	$ 110,000	$2,060,810	$2,124,511

Restricted Details: (note 9)

	Balance, beginning of the year	To Restricted	From Restricted	Balance, end of the year
Internally Restricted				
Student Services	$ 1,125	$ --	$ --	$ 1,125
Professional Development	10,000	5,142	(5,142)	10,000
Personal Professional Development	--	15,654	--	15,654
Apprenticeship Project	95,000	--	(95,000)	--
Programs	540,000	143,881	(29,297)	654,584
Capital	305,000	--	(79,353)	225,647
Nipawin Facility	150,000	--	--	150,000
	$1,101,125	$ 164,677	$ (208,792)	$1,057,010

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003

Statement

	2003	2002
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses	$ (63,701)	$ 84,9
Amortization of capital assets	136,643	127,2
Net change in non-cash working capital (note 10)	(152,184)	272,3
	(79,242)	484,5
Cash flows from investing activities		
Purchase of capital assets	(79,353)	(72,9
Decrease in investments	--	150,0
	(79,353)	77,0
Net (decrease) in cash	(158,595)	561,1
Cash, beginning of year	1,574,886	1,013,7
Cash, end of year	$1,416,291	$1,574,8

See accompanying notes

CUMBERLAND REGIONAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003

1. PURPOSE AND AUTHORITY

The Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

The purpose of the Colleges is to provide credit and non-credit classroom and vocational training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant policies:

(a) Fund Accounting

The accounts of the College are maintained in accordance with the principles of fund accounting. For accounting and reporting purposes, resources are classified into funds in accordance with specified activities or objectives:

(i) Operating Fund

The operating fund accounts for the College's program delivery, service and administrative activities.

(ii) Capital Fund

The capital fund reflects the net book value of all capital assets of the College after taking into consideration any associated long term debt. The capital fund also includes contributions, interest and donations designated for capital purposes by the contributor. Also included in the capital fund are the appropriations for future capital expenditures.

2. SIGNIFICANT ACCOUNTING POLICIES cont'd

(b) Revenue recognition

The College follows the restricted fund method of accounting for grants. Restricted contributions related to general operations are recognized as revenue of the operating fund in the year that the related expenses are incurred. Contributions restricted for capital assets are recognized as revenue of the capital fund when received or receivable.

Unrestricted operating contributions are recognized as revenue of the operating fund when received or receivable. Tuition and fee revenue is recognized as the course instruction is delivered. Revenue from contractual services is recognized as the service is delivered.

(c) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets costing under $500 are expensed in the current year. Capital assets are amortized on a straight-line basis over their estimated useful lives and is reported as an expense in the capital funds as follows:

Buildings	5%
Leasehold improvements	5%
Furniture and equipment	10% to 33%
Vehicles	20%

(d) Cash

Cash is represented by cash on hand and balances with banks.

(e) Investments

Investments are recorded at the lower of cost and market value.

3. ACCOUNTS RECEIVABLE

Accounts receivable are composed of the following:

	2003	2002
Saskatchewan Learning	$105,552	$115,532
Federal government grant	13,467	11,905
Other	50,353	68,470
	$169,372	$195,907

4. INVESTMENTS

Investments consist of:

	Interest Rate	Maturity Date	2003	2002
Sask Savings Bond	5.00%	July, 2003	$250,000	$250,000
Sask Savings Bond	5.75%	July, 2005	100,000	100,000
			$350,000	$350,000

5. CAPITAL ASSETS

	2003			2002
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	$ 973,612	$ 339,764	$ 633,848	$ 682,482
Leasehold improvements	221,783	84,006	137,777	148,686
Furnishings/ equipment	448,757	326,582	122,175	119,922
Vehicles	23,486	23,486	--	--
	$1,667,638	$ 773,838	$ 893,800	$ 951,090

6. LEASE OBLIGATIONS

The College is committed under an annual term lease for office space at the following minimum amount for the next year (exclusive of proportionate increases and additional occupancy costs - the lease is negotiated annually):

2004	$20,000

The College is committed under an operating lease for office equipment as follows:

2004	$24,570
2005	24,570
2006	24,570
2007	10,238

7. ACCOUNTS PAYABLE

Accounts payable are composed of the following:

	2003	2002
Province of Saskatchewan	$ 454	$ 478
Federal government	1,813	46,143
Other	55,674	45,776
	$ 57,941	$ 92,397

8. UNEARNED REVENUE

Unearned revenue consists of transfers received to carry out specific activities in excess of the expenses incurred on those activities at the end of the fiscal year as follows:

	2003	2002
Saskatchewan Learning	$621,764	$722,919
Federal Government	6,629	--
	$628,393	$722,919

9. RESTRICTIONS ON NET ASSETS

The Board of Directors have placed internal restrictions on $164,677 (2002 - $542,405) of unrestricted net assets to be used for various purposes as indicated on Statement 3.

10. NET CHANGE IN NON-CASH WORKING CAPITAL

	2003	2002
Accounts receivable	$ 26,535	$ 25,204
Prepaid expenses	(1,330)	(7,474)
Accounts payable, salaries payable and accrued vacation payable	(82,863)	55,598
Unearned revenue	(94,526)	199,039
Net (decrease) in cash	$(152,184)	$ 272,367

11. BUDGET AMOUNTS

The budget amounts on these financial statements were prepared by Regional College Management and approved by the Board on April 23, 2002. The Minister approved the budget on June 28, 2002.

12. RELATED PARTY TRANSACTIONS

These financial statements include transactions with related parties. The College is related to all Saskatchewan Crown Agencies such as departments, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the College is related to non-Crown enterprises that the Government jointly controls or significantly influences.

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms.

12. RELATED PARTY TRANSACTIONS cont'd

Related party expenses during the year were as follows:

	2003	2002
SaskTel	$ 47,060	$ 54,467
Sask Property Management Corp.	57,189	52,435
University of Saskatchewan	65,616	86,114
University of Regina	3,177	10,941
	$173,042	$203,957

During the year the College continued a contract with Saskatchewan Communications Network (SCN) to deliver various training and educational programs. The College received $83,615 (2002-$90,188) during the year to deliver these programs.

Other transactions with related parties are disclosed elsewhere in these financial statements.

13. FINANCIAL INSTRUMENTS

The College's significant financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued benefits.

(a) The carrying amount of cash, accounts receivable, accounts payable and accrued benefits approximates fair market value due to the short term maturity of these instruments. There are no significant terms or conditions related to these financial instruments that may affect the amount, timing, or certainty of future cash flows.

The fair market value of investments is considered to approximate market value which is $350,000 (2002 - $350,000).

(b) The College is exposed to credit risk from the potential non-payment of accounts receivable. The majority of the College's receivables are from the provincial and federal government, therefore, credit risk is minimal.

14. EMPLOYEE FUTURE BENEFITS

Employees of the College participate in one of three pension plans. Teachers and other employees holding a teaching certificate participate in a defined benefit plan, the Teachers' Superannuation Plan (TSP) or the Saskatchewan Teachers Retirement Plan (STRP) which are administered by the Teachers' Superannuation Commission. The Board has no financial obligation to TSP or STRP. Eligible employees contribute to TSP and STRP for their current service. No matching contribution is made by the College. The General Revenue Fund is responsible for the required employer contributions of the STRP and for the financial obligations of the TSP. All other employees participate through Municipal Employees' Pension Plan (MEPP) which is also a multi-employer defined benefit plan.

The last actuarial valuation of the MEPP indicated there was a surplus in the plan. The College's financial obligation to the MEPP is limited to making required payments to match amounts contributed by employees for current services. Pension expense for the year amounted to $51,953(2002 - $46,233).

15. COMPARATIVE FIGURES

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND REVENUES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2003

Schedule 1

	2003										
	General	Skills Training		Basic Education		University	Services		Total	2003 Budget (Note 11)	2002 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Provincial Government											
Saskatchewan Learning											
Operating grant	$1,304,283	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$1,304,283	$1,184,788	$1,267,733
Program payments	--	854,909	5,600	414,441	87,483	--	34,698	--	1,397,131	1,555,230	1,288,344
Other	41,226	--	--	--	4,449	--	19,034	60,658	125,367	20,848	30,906
	1,345,509	854,909	5,600	414,441	91,932	--	53,732	60,658	2,826,781	2,760,866	2,586,983
Other Provincial	--	--	--	--	39,093	--	--	49,070	88,163	50,000	82,494
	1,345,509	854,909	5,600	414,441	131,025	--	53,732	109,728	2,914,944	2,810,866	2,669,477
Federal Government											
Admin recovery	--	--	--	--	--	--	--	--	--	--	1,710
Seat purchases	--	--	--	--	--	--	--	--	--	--	--
Projects	--	--	--	--	17,240	--	12,445	--	29,685	--	27,604
Other	15,000	--	--	--	--	--	--	--	15,000	15,000	34,962
	15,000	--	--	--	17,240	--	12,445	--	44,685	15,000	64,276
Other Revenue											
Admin recovery	6,139	--	--	--	--	8,362	--	--	14,501	16,250	12,699
Contracts	46,572	25,395	5,490	161,047	29,890	75,345	1,397	887	346,023	193,186	221,246
Interest	73,612	--	--	--	--	--	--	--	73,612	68,500	78,182
Rents	1,500	--	--	--	--	--	--	--	1,500	--	1,599
Resale Items	1,270	28,297	9,512	--	--	39,060	--	--	78,139	93,800	89,238
Tuitions	22,500	164,551	69,013	--	--	3,034	4,170	--	263,268	285,202	247,396
Other	4,491	18,348	--	--	--	765	2,930	--	26,534	11,900	26,584
	156,084	236,591	84,015	161,047	29,890	126,566	8,497	887	803,577	668,838	676,944
Total revenue	1,516,593	1,091,500	89,615	575,488	178,155	126,566	74,674	110,615	3,763,206	3,494,704	3,410,697
Total operating fund expenses (Schedule 2)	1,441,904	923,154	74,325	503,395	135,032	188,071	212,766	211,617	3,690,264	3,655,674	3,333,510
Excess (deficiency) of revenues over expenses	$ 74,689	$ 168,346	$ 15,290	$ 72,093	$ 43,123	$ (61,505)	$ (138,092)	$(101,002)	$ 72,942	$ (160,970)	$ 77,187

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING FUND EXPENSES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2003

Schedule 2

	2003										
	General	Skills Training		Basic Education		University	Services		Total	2003 Budget (Note 11)	2002 Total
		Credit	Non-credit	Credit	Non-credit	Credit	Learner Support	Counsel			
Agency Contracts	$ --	$ 539,696	$ 4,761	$ 3,837	$ 27,598	$ 34,265	$ 6,082	$ 3,293	$ 619,532	$ 523,920	$ 417,003
Equipment	64,284	3,626	563	2,956	1,692	556	3,540	4,971	82,188	110,033	69,221
Facilities	122,608	37,557	650	41	5,185	2,067	--	445	168,553	127,471	136,399
Information Technology	29,575	--	--	--	--	--	771	4,048	34,394	51,525	39,572
Operating (Schedule 3)	167,997	87,717	30,294	28,172	12,024	46,813	19,936	14,713	407,666	482,796	437,740
Personnel services	1,057,440	254,558	38,057	468,389	88,533	104,370	182,437	184,147	2,377,931	2,359,929	2,233,575
	$1,441,904	$ 923,154	$ 74,325	$ 503,395	$ 135,032	$ 188,071	$ 212,766	$ 211,617	$3,690,264	$3,655,674	$3,333,510
			$ 997,479		$ 638,427			$ 424,383			

CUMBERLAND REGIONAL COLLEGE

SCHEDULE OF OPERATING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2003

Schedule 3

	2003 Budget (Note 11)	2003 Total	2002 Total
Advertising	$ 47,525	$ 50,382	$ 54,197
Association Fees and Dues	8,665	8,234	7,468
Bad Debts	--	--	4,139
Financial Services	660	631	487
In-Service	18,068	12,611	13,940
Insurance	7,580	6,925	6,523
Materials and Supplies	87,731	89,724	60,842
Postage, Freight and Courier	9,075	11,960	12,074
Printing and Copying	17,100	16,360	13,123
Professional Services	47,675	13,353	24,411
Resale Items	89,800	72,634	94,864
Subscriptions	2,795	2,582	1,757
Telephone and Fax	45,403	41,361	51,447
Travel	82,674	67,651	81,046
Other	18,045	13,258	11,422
	$482,796	$407,666	$437,740

CUMBERLAND REGIONAL COLLEGE
OVER $2,500 SALARY AND PERSONAL SERVICES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2003
UNAUDITED

Diane Barnett	$5,179
David Bone	$8,389
Lori Constant	$4,549
Barb Deck	$4,170
Mary Hardwicke	$2,511
Cindy Jordison	$3,060
Kirk Kezema	$4,495
Ruth Kozun	$11,363
Peter Krebs	$9,228
Rachel Kunz	$5,756
Peter Mckellar	$4,705
Dara McMunn	$42,497
Lisa Nystuen	$3,679
Valerie Mushinski	$100,992
Nancy Poon	$3,192
Lianne Relland	$57,956
Vickie Singer	$3,660
Leslee Serack	$77,779
Maurice Taylor	$3,575
Tim Verklan	$4,960
Total Unionized Employees	$1,726,077
Total Personal Services	$2,087,771

CUMBERLAND REGIONAL COLLEGE
OVER $20,000 PAYEE SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2003
UNAUDITED

A & W Tisdale	$27,962
Association of Saskatchewan Regional Colleges	$26,000
Blue Cross	$84,347
Big Sky Farms Inc.	$36,133
Computer Castle	$32,157
Homestead Restaurant	$22,583
Hudson Bay School Division	$21,914
Kinistin Nation Band Office	$21,085
S.I.AS.T. Kelsey Campus	$225,623
The Milky Way	$20,000
Melfort School Division #100	$88,301
Melfort Parts Depot	$21,171
Municipal Employees Pension Plan	$106,428
Nipawin School Division	$27,706
S.I.A.S.T. Woodland Campus	$158,699
Melfort Journal	$21,226
Prince Albert Photocopier	$31,743
Receiver General	$746,610
Sask. Property Management Corp.	$57,357
Sask. Government Employees Union	$47,278
SaskTel	$47,060
Sask Teachers Retirement Plan	$22,500
Teachers' Superannuation Fund	$33,348
Sharp's Audio Visual Ltd.	$35,184
Tisdale School Division #53	$23,108
University of Saskatchewan	$64,442
S.I.A.S.T. Wascana Campus	$37,830
Other	$431,340
Total	$2,519,135